

Celsius case number: 22-10964

Date: 13 August 2024

**Letter to Judge Glenn Requesting Judicial Intervention in the Management of Ionic Digital, Inc and Requesting a Meeting of Shareholders.**

To Your Honorable Judge Glenn,

Further to letters recently filed by pro se creditors (docs.7582, 7580, 7578, 7577, 7576, 7570) criticizing the lack of communication and demanding disclosure from Ionic Digital, Inc updating shareholders as to the status of the company's operations, management and listing process; and further to the subsequent press release filed by Ionic Digital, Inc (doc. 7590), we wish to express our loss of confidence in the management of the company and to request court intervention to mitigate the failures of management as revealed in the company's press release. We are very concerned about the destruction of shareholder value that is already evident in the company's press release and we are concerned about the potential for further shareholder value destruction that currently remains opaque in the press release.

In addition to these concerns, it is important to highlight that the composition of the board was a significant issue for creditors, who were deeply concerned about ensuring adequate representation. We fought hard to include non-UCC creditor board members, proposing highly qualified candidates who were met with aggressive opposition. Despite this resistance, we introduced the management team to an exceptionally experienced group with specialized Bitcoin mining expertise, dating back to 2012—skills that are rare and invaluable in this industry. However, it is alarming that management did not engage with any of these experts after the introduction. As a result, the board now appears to be unravelling, and there is a glaring lack of Bitcoin mining experience, which is crucial for the company's success.

I (Simon Dixon) also wish to note that I declined the board observer role myself due to these concerns, believing I could better serve creditors by expressing these issues freely, many of which I had forecasted. This further exacerbates our concerns about the current direction and stability of the company.

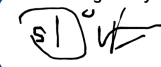
Specifically, based on the disclosure provided by Ionic Digital, Inc in the press release, we are very concerned by:

1. The limited operational progress the management has made over the past six months since emerging from bankruptcy:
  - a. No information has been provided on the achievement (or otherwise) of any of the EH/s targets as per the Management Agreement (Exhibit G in doc. 4285). Non-performance of EH/s targets is potentially a termination event for the Management Agreement.
2. The absence of financial reporting:

- a. No financial statements have been filed since April 2024. No account has been provided as to how the company has spent the \$225 million provided by creditors.
  - b. Failure to file the F-10 and its consequent failure to become effective by 1 June 2024 is a termination event for the Management Agreement. It appears that the board may have modified this clause as they state in the press release that they “among other things, removed the liquidity deadline provision.” They make no mention of what those “other things” may be.
3. The senior management, board and oversight departures:
  - a. 2 of the 3 creditor nominated board observers have departed - one of the observer spots was never occupied because of a disagreement with management about disclosure (the position has never been refilled) and the second observer has left the board in the last few days as a result of the recent correspondence (cited above).
  - b. 3 B share board members have departed (2 have been replaced recently and 1 is still being sought and remains vacant)
  - c. 2 independent board members have departed (1 has been replaced and there is no mention of any replacement for the other, thus reducing the ratio of independent to dependent board members).
  - d. 2 CFOs have departed in quick succession (the position has only recently been filled)
  - e. The CEO is due to depart on 14 August 2024 (a search for his replacement is reportedly under way), and
  - f. the company auditors departed in May 2024 (and are yet to be replaced).

We are dismayed by the instability of the board, the senior executives and the auditing team. We are shocked at the absence of an auditor since May 2024, and the consequent absence of financial reporting coupled with the turnover of CFOs is extremely troubling. And we are furthermore very concerned by the lack of any meaningful disclosure of operational progress at the company. We believe that all this represents evidence of potential mismanagement and we move for the court to intervene to protect shareholders from any further impact on the company's value. We believe that shareholders should be given the opportunity to confront the board and senior management at a shareholder meeting, to require a better and fuller explanation as to how they are managing our assets and to have the opportunity to bring matters to a shareholder vote.

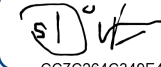
Thank you for your time and attention to these critical matters. We appreciate any assistance you can provide.

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Simon Dixon

Pro se creditor.

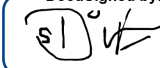
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Bnk To The Future

Pro se corporate creditor.

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BF Portfolio Builder SPC

Pro se corporate creditor.

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